

Service Date: April 6, 1993

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of Montana-Dakota)
Utilities Co., Request To Delete)
Natural Gas Service Therm Zone 13,) UTILITY DIVISION
Consolidate Area With Zone 10, And) DOCKET NO. 93.1.3
Apply Zone 10 Heating Values To) ORDER NO. 5702
Zones 11 and 12 When Rapelje)
Production Not Entering Systems.)

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DEFAULT ORDER GRANTING REQUESTS
BACKGROUND

1. On January 22, 1993, Montana-Dakota Utilities Company (MDU) filed a petition requesting that the Public Service Commission (PSC) approve: (1) the deletion of Therm Zone 13 (Billings and Laurel) and consolidation of it into Therm Zone 10 (Elk Basin Plant to Billings); and (2) the application of Zone 10 heating value to Zones 11 (Laurel) and 12 (Park City), when Rapelje production is not entering the system.

2. In December, 1987, the PSC authorized therm (heat content as opposed to volume) billing on the MDU system. Docket No. 87.9.47, Order No. 5316 (December 28, 1987). For therm billing purposes, MDU has various therm zones based principally on the source of supply (quality, heat content) serving the particular zone.

3. MDU has applied for and received PSC authority to alter therm zone boundaries at times in the past. The alteration generally arises from change in source of supply. Examples are: (1) Docket No. 87.9.47(1), Order No. 5376(a), December 16, 1988, deleting Zones 15 and 99 and consolidating the area into Zone 14, because Williston Basin Interstate Pipeline Company (WBIP) production at a local field had been abandoned; and (2) Docket No. 89.11.43, Order No. 5436(a), a reconfiguration of Zones 20 and 21 and a creation of Zones 212 and 211, for a WBIP change in applicable atmospheric pressure standards.

FINDINGS OF FACT

4. In this filing, MDU states that its reason for the

proposed modifications is that WBIP, in its ongoing and periodic review of WBIP heating value zones, has revised its schedule of zones to reduce redundancy in sampling, resulting in an elimination of Zone 13. MDU states that the gas flowing within Zone 13 is being adequately monitored by measuring equipment in an adjacent zone.

5. MDU also states that the Monad Border gas sampler and gravitometer will be retired and the gas chromatograph at WBIP's Elk Basin Plant will be used to determine the quality of gas for all of Zone 10.

6. A copy of the map showing this proposed change was attached in the filing for inclusion in MDU's tariff.

7. Finally, MDU states that the Zone 10 heating value will be applied to Zones 11 and 12 when the Rapelje production is not entering the WBIP system. When the Rapelje production is entering the system, Zones 11 and 12 will be determined as they presently are using an intermittent gas sampler located at Cenex and the Park City Border Station, respectively.

8. MDU proposed and effective date for bills rendered on and after February 12, 1993 to coincide with the date the Company changes its billing BTU factors each month. However, since this date is past the PSC shall establish a new effective date.

9. On February 26, 1993, the PSC issued a Notice of Opportunity for Public Hearing in this proceeding. In that notice, the PSC said, "Any interested person with proper standing may request a public hearing on this matter or protest the matter without requesting a hearing. If no request for hearing is received by March 24, 1993, the PSC may decide the matter on the record before it at that time."

10. Having received no requests for public hearing or protests, the PSC approves MDU's request as provided in this Order.

CONCLUSIONS OF LAW

1. The Applicant, Montana-Dakota Utilities Company, is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana rates and operations pursuant to Section 69-3-102, MCA, and Title 69, Chapter 3, Part 3, MCA.

2. The PSC has provided adequate public notice of all proceedings and an opportunity to be heard as required by Section 69-3-303, MCA, and Title 2, Chapter 4, MCA (Montana Administrative Procedures Act).

ORDER

IT IS HEREBY ORDERED THAT:

1. The Applicant, Montana-Dakota Utilities Company, is granted authority to delete its Therm Zone 13 and consolidate those customers located within that Zone into Zone 10. The Applicant is also granted authority to apply Zone 10 heating values to Zones 11 and 12 during those periods of time when Rapelje production is not entering the Williston Basin Interstate Pipeline system.

2. Rate schedules and maps filed in response to this Order shall comply with all PSC determinations set forth in this Order.

3. The effective date for this Order shall be for bills rendered on and after the first full month of service under the new therm zone configuration. MDU may coincide this with the date of its monthly change in BTU factors to avoid any possible customer confusion.

DONE IN OPEN SESSION at Helena, Montana on this 6th day of April, 1993, by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ANDERSON, Chairman
BOB ROWE, Vice Chairman
DAVE FISHER, Commissioner
NANCY McCaffree, Commissioner
DANNY OBERG, Commissioner

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.